

Data Sources

Employment data: Data on metro and nonmetro employment and unemployment reported in this issue come from two sources. The monthly Current Population Survey (CPS), conducted by the Bureau of the Census for the Bureau of Labor Statistics (BLS), provides detailed information on the labor force, employment, unemployment, and demographic characteristics of the metro and nonmetro population. The CPS derives estimates based on interviews of a national sample of about 47,000 households that are representative of the U.S. civilian noninstitutional population 15 years of age and over. Labor force information is based on respondents' activity during 1 week each month. Among the data products of the CPS are the monthly files, the earnings microdata files, and the March Annual Demographic Supplement (known as the March CPS). BLS county-level employment data, the Local Area Unemployment Statistics (LAUS), are taken from unemployment insurance claims and State surveys of establishment payrolls, which are then benchmarked to State totals from the CPS. The BLS data series provides monthly estimates of labor force, employment, and unemployment for individual counties.

Each of these data sets has its advantages and disadvantages. The CPS furnishes detailed employment, unemployment, and demographic data for metro and nonmetro portions of the Nation. The LAUS provides less detailed employment data than the CPS, but it offers very current employment and unemployment information at the county level and is less subject to short-term fluctuations due to sample variability. While these data sources are likely to provide different estimates of employment conditions at any point in time, they generally indicate similar trends.

Earnings data: Data on metro and nonmetro earnings reported in this issue come from two sources. The data for average and median weekly earnings worked are drawn from the outgoing rotation of respondents in the monthly CPS, about one-quarter of the total sample. These respondents are asked about the usual earnings on their sole or primary job. The CPS earnings microdata file, referred to as the earnings file, consists of all records from the monthly quarter-samples of CPS households that were subject to having these questions on hours worked and earnings asked during the year. The 1997 data file contained information on almost 430,000 persons. Data are available for all wage and salary workers in both the public and private sectors. The CPS collects information from people at their residences. They may work in other areas, such as nonmetro residents who work in metro areas.

The Bureau of Economic Analysis' Regional Economic Information System is the source of the county-level earnings and jobs data used in this issue to analyze nonfarm earnings per job. These BEA data are based primarily on administrative records of the unemployment insurance program. While the CPS analysis is of the earnings of metro and nonmetro residents, the BEA earnings per nonfarm jobs analysis covers the jobs located in metro and nonmetro areas. The analyses also differ in that the CPS earnings are based on full-time workers while the BEA earnings are the average over all jobs in the area, including both full- and part-time jobs. The CPS earnings are an indicator of worker well-being while the BEA earnings are an indicator of the strength of the local labor market.

Farm labor data: Information on the characteristics and earnings of hired farmworkers are from the CPS earnings microdata file. The data for average and median weekly earnings and usual weekly hours worked are drawn from the outgoing rotation of respondents in the monthly CPS, as were the overall metro and nonmetro earnings. The 1997 data file is based on information from 1,210 hired farmworkers, which is used for estimates of the hired farmworker population.

Farm household income and net worth data: Farm household income and net worth data are from the 1996 Agricultural Resource Management Study (ARMS). The ARMS is a probability-based, annual survey in which each respondent represents a number of farms of similar size and type. Thus, ARMS sample data can be expanded using appropriate weights to represent all farms in the contiguous United States. The ARMS is conducted annually by the Economic Research Service (ERS) and the National Agricultural

Statistics Service (NASS) in all States except Alaska and Hawaii. The 1996 ARMS household data were based on usable data collected from nearly 7,000 farms and ranches. ARMS was previously known as the Farm Costs and Returns Survey (FCRS).

Estimates based on an expanded sample differ from what would have occurred if a complete enumeration had been taken. However, the relative standard error (RSE), a measure of sampling variability, is available from survey results. The RSE is the standard error of the estimate expressed as a percentage of the estimate. According to the guidelines for use of the ARMS, any estimate with an RSE greater than 25 percent must be identified; such estimates are identified in the figures and appendix tables of the article on farm household income.

The standard error of the estimate can also be used to evaluate the statistical differences between ARMS-based estimates. The article on operator household income emphasizes differences between ARMS-based estimates only when estimates were significantly different at the 95-percent level or higher, unless stated otherwise.

Housing data: Housing data are from the American Housing Survey conducted by the Bureau of the Census for the U.S. Department of Housing and Urban Development. The American Housing Survey is a longitudinal survey designed to provide detailed information on housing structure, use, and plumbing characteristics, equipment and fuel use, housing and neighborhood quality, financial characteristics, and household attributes of current occupants. The national sample is based on about 55,000 units selected for interview in 1995. Data are weighted to reflect the U.S. population. Data were collected annually from 1973 to 1981 as the Annual Housing Survey and every other year since 1981 as the American Housing Survey.

Income, poverty, and transfers data: The household income and poverty data reported in this issue were calculated from the March Annual Demographic Supplement of the Current Population Survey, known as the March CPS. Every year, the March CPS includes supplemental questions on sources and amounts of money received during the previous calendar year. Consequently, income information in the March CPS refers to the previous year. Estimates from the March CPS are published by the Bureau of the Census in the Consumer Income P-60 series. Information on family size and income is used to estimate the number of families and individuals in poverty based on official guidelines issued by the Office of Management and Budget. Demographic data are available to examine the distribution of income and the characteristics of the poverty populations in metro and nonmetro areas.

Information on personal income and transfers payments derives from the Bureau of Economic Analysis (BEA) employment and income data. BEA estimates annual earnings, proprietor's income, transfer payments, and other personal income at the county level based primarily on administrative records. BEA's estimates of personal income includes in-kind sources, such as Medicare and food stamp benefits.

The CPS household income estimates exclude in-kind income, so the two sources differ in both the unit of analysis (local area income per person versus income of households) and the income definition (cash and in-kind versus cash only). The CPS incomes are an indicator of household well-being while the BEA income and transfers are indicators of local area well-being and program dependence.

Population and migration data: Estimates of population change, net migration, and natural increase are from the Bureau of the Census county population estimates issued annually. Population estimates are based on various data sources. Births and deaths are based on vital statistics records. Migration estimates are derived as a residual by subtracting natural population increase from actual increases. Estimates include net gain from other counties as well as the institutional population. Data on the characteristics of migrants, elderly, and children are from the March 1996 and March 1997 Current Population Survey.

Definitions

Adjusted unemployment rate: The total unemployed, plus all marginally attached workers (including discouraged workers), plus total workers employed part-time for economic reasons, as a percentage of the civilian labor force plus all marginally attached workers. The adjusted unemployment rate is a more comprehensive way to measure labor market distress than the unemployment rate. This measure corresponds with the Bureau of Labor Statistics's U-6 measure of unemployment, from the 1994 revised alternative measures of labor underutilization.

Civilian labor force: Noninstitutional civilians age 16 or older who are either employed or unemployed. Individuals who are neither employed nor unemployed are out of the labor force.

Family: Family is defined as two or more people residing together who are related by birth, marriage, or adoption.

Farm: Any place from which \$1,000 or more worth of agricultural products is sold or normally would be sold in a year.

Farm operator: The person who runs the farm, making the day-to-day decisions. Information is collected for only one operator per farm. For farms with more than one operator, data are collected only for the primary operator.

Farm operator households: The households of primary operators of farms organized as individual operations, partnerships, and family corporations. These farms are closely held (legally controlled) by their operator and the operator's household. Farm operator households exclude households associated with farms organized as nonfamily corporations or cooperatives, as well as households where the operator is a hired manager. Household members include all persons dependent on the household for financial support, whether they live in the household or not. Students away at school, for example, are counted as household members if they are dependents.

Farm operator household income: The total income of farm operator households consists of earnings from farming activities and earnings from off-farm sources. Calculating earnings from farming activities begins with farm self-employment income. Farm self-employment income is the sum of the operator household's share of farm business income (net cash farm income less depreciation), wages paid to the operator, and net rental income from renting farmland. Adding other farm-related earnings of the operator household yields earnings from farming activities. (Other farm-related earnings consists of net income from a farm business other than the one being surveyed, wages paid by the farm business to household members other than the operator, and commodities paid to household members for farm work.) Earnings from off-farm income is the income that all farm household members received from other sources, including wages and salaries, the net income of any nonfarm businesses, interest and dividends, and all other cash off-farm income.

Farm operator household net worth: The difference between the operator household's assets and liabilities. It is calculated as the sum of the operator household's farm net worth and nonfarm net worth. If the net worth of the farm is shared with other households (such as the households of shareholders in a family corporation), only the operator household's share is included.

Farm typology: The Economic Research Service (ERS) developed a farm classification to divide small family and other farms in the United States into mutually exclusive and more homogeneous groups. The farm typology focuses on "family farms," or farms organized as proprietorships, partnerships, and family corporations that are not operated by a hired manager. To be complete, however, it also considers nonfamily farms.

Small family farms (sales less than \$250,000):

Limited-resource farms—Any small farm with (1) gross sales less than \$100,000, (2) total farm assets less \$150,000, and (3) total operator household income less than \$20,000. Limited-resource farmers may report farming, a nonfarm occupation, or retirement as their major occupation.

Retirement farms—Small farms with operators who report they are retired (excludes limited-resource farms operated by retired farmers).

Residential/lifestyle farms—Small farms with operators who report they had a major occupation other than farming (excludes limited-resource farms with operators reporting a nonfarm major occupation).

Farming occupation/lower sales—Small farms with sales less than \$100,000 and operators who report farming as their major occupation (excludes limited-resource farms with operators reporting farming as their major occupation).

Farming occupation/higher sales—Small farms with sales between \$100,000 and \$249,999 and operators who report farming as their major occupation.

Other farms:

Large family farms—Sales between \$250,000 and \$499,999.

Very large family farms—Sales of \$500,000 or more.

Nonfamily farms—Farms organized as nonfamily corporations or cooperatives, as well as farms operated by hired managers.

Hired farmworkers: Persons age 15 and older who do farm work for cash wages or salary, including persons who manage farms for employers on a paid basis, supervisors of farmworkers, and general farm and nursery workers.

Household: Households consist of all persons living in a housing unit. A house, an apartment, or a single room is considered a housing unit if it is occupied as separate living quarters. To be classified as separate living quarters, the occupants of the housing unit must not live and eat with any other people in the structure.

Household income: The sum of the amounts of money received from wages and salaries; nonfarm self-employment income; farm self-employment income; Social Security or railroad retirement; Supplement Security Income; cash public assistance or welfare payments; dividends, interest, or net rental income; veterans payments; unemployment or workers' compensation; private or government employee pensions; alimony or child support; and other periodic payments for all household members.

Inflation rate: The percentage change in a measure of the average price level. The two measures of the average price level used in this issue are the Consumer Price Index for All Urban Consumers (CPI-U) and the chain-type price index for Personal Consumption Expenditures.

Inmigration and inmovement are used interchangeably.

Major farming regions:

Northeast—Connecticut, Delaware, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont.

Lake States—Michigan, Minnesota, Wisconsin.

Corn Belt—Illinois, Indiana, Iowa, Missouri, Ohio.

Northern Plains—Kansas, Nebraska, North Dakota, South Dakota.

Appalachian—Kentucky, North Carolina, Tennessee, Virginia, West Virginia.

Southeast—Alabama, Florida, Georgia, South Carolina.

Delta—Arkansas, Louisiana, Mississippi.

Southern Plains—Oklahoma, Texas.

Mountain—Arizona, Colorado, Idaho, Montana, Nevada, New Mexico, Utah, Wyoming.

Pacific—California, Oregon, Washington.

Median household income: The median household income is the income of the household at the center of the income ranking (that is, at the 50th percentile). Thus, the median represents the income of the average household. The median has the advantage of not being influenced by the very high incomes of a small minority of households or persons.

Metro areas: Metropolitan Statistical Areas (MSA's), as defined by the Office of Management and Budget, include core counties containing a city of 50,000 or more people or have an urbanized area of 50,000 or more and total area population of at least 100,000. Additional contiguous counties are included in the MSA if they are economically integrated with the core county or counties. For most data sources, these designations are based on population and commuting data from the 1990 Census of Population. The Current Population Survey data beginning in 1995 categorizes counties as metro and nonmetro based on population and commuting data from the 1990 census. Throughout this publication, "urban" and "metro" have been used interchangeably to refer to people and places within MSA's.

Minority counties: Refers to three categories of minority counties—Black, Hispanic, and Native American—defined as having 33 percent or more of the population coming from the particular racial or ethnic group. These high-minority counties are subdivided into substantially minority counties (33 to 50 percent) and predominantly minority counties (50 percent or more).

Natural amenities index: Natural amenities are measured using an index created at the Economic Research Service, combining measures of climate, topography, and the presence of bodies of water. The index of climate attractiveness is defined using January temperature, number of days with sun in January, July temperature (expressed as a residual when regressed against January temperature), and July humidity. Topography is defined as the difference between an index of mountainous or rugged terrain and average elevation. The presence of bodies of water is measured using the percentage of land area covered by water.

Nonfarm earnings: The sum of wage and salary income, other labor income, such as privately administered pension and profit-sharing plans, and current production income of nonfarm sole proprietorships, partnerships, and tax-exempt cooperatives.

Nonmetro areas: Counties outside metro area boundaries. Throughout this publication, "rural" and "nonmetro" are used interchangeably to refer to people and places outside of MSA's.

Outmigration and outmovement are used interchangeably.

Personal income: The sum of money income to a person from all sources, from which money income is regularly received, reported as having been received in the previous calendar year. The sources of money income are wages and salary; net income from the operation of a business or farm; dividends, interest, royalties, and net rental income; alimony and child support payments received from outside the household; pensions; and transfer payments. Specifically excluded under this definition are windfalls, such as a lump sum payment of an inheritance even though in money; capital gains or losses; income in kind; and all within-household gifts or transfers whether in cash or kind.

Poverty: A person is in poverty if his or her family's money income is below the official poverty threshold appropriate for that size and type of family. Different thresholds exist for elderly and nonelderly persons living alone, for two-person families with and without elderly heads, and for different family sizes by number of children. For example, the poverty threshold for a family of four with two children was \$15,911 in 1996. The thresholds are adjusted for inflation annually using the Consumer Price Index.

Region: The States in each Census region are as follows:

Northeast—Connecticut, Maine, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, and Vermont.

Midwest—Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, and Wisconsin.

South—Alabama, Arkansas, Delaware, District of Columbia, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Virginia, and West Virginia.

West—Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington, and Wyoming.

Rural-urban continuum codes: Classification system developed by ERS to group counties by the size of their urban population and their adjacency to larger areas. (See Margaret A. Butler and Calvin L. Beale, *Rural-Urban Continuum Codes for Metro and Nonmetro Counties, 1993*, AGES 9425, U.S. Department of Agriculture, Economic Research Service, Sept. 1994).

Metro counties—

Central counties of metro areas of 1 million population or more

Fringe counties of metro areas of 1 million population or more

Counties in metro areas of 250,000 to 1 million population

Counties in metro areas of fewer than 250,000 population

Nonmetro counties—

Urban population of 20,000 or more, adjacent to a metro area

Urban population of 20,000 or more, not adjacent to a metro area

Urban population of 2,500 to 19,999, adjacent to a metro area

Urban population of 2,500 to 19,999, not adjacent to a metro area

Completely rural or less than 2,500 urban population, adjacent to a metro area

Completely rural or less than 2,500 urban population, not adjacent to a metro area

Nonmetro adjacent counties—

Nonmetro counties are classified as adjacent if they are physically adjacent to one or more metro areas and have at least 2 percent of the employment labor force in the county commuting to the central metro county for work.

Transfer payments: Cash or goods that people and nonprofit institutions receive from government and some businesses (for example, liability payments) for which no work is currently performed. Receipt of transfer payments, however, may reflect work performed in the past. For example, elderly people receive Social Security now because they worked earlier in their lives and paid taxes to fund the program. Government transfers to individuals are grouped into the following categories: retirement and disability programs, medical programs, income maintenance programs, unemployment insurance, veterans' programs, and other. Further classification combines Medicaid benefits with income maintenance benefits to form a public assistance category comparable with the classification used by the Social Security Administration.

Note that payments from farm commodity programs are received as part of farmers' gross cash income from current farming activities. They are not transfer payments.

Typology codes: Classification system developed and periodically revised by ERS to group counties by economic and policy-relevant characteristics. The typology codes used in this issue are those described in Peggy J. Cook and Karen L. Mizer, *The Revised ERS County Typology: An Overview*, RDRR 89, U.S. Department of Agriculture, Economic Research Service, Dec. 1994.

Economic types (mutually exclusive, a county may fall into only one economic type):

Farming-dependent—Farming contributed a weighted annual average of 20 percent or more of total labor and proprietors' income over the 3 years from 1987 to 1989.

Mining-dependent—Mining contributed a weighted annual average of 15 percent or more of total labor and proprietors' income over the 3 years from 1987 to 1989.

Manufacturing-dependent—Manufacturing contributed a weighted annual average of 30 percent or more of total labor and proprietors' income over the 3 years from 1987 to 1989.

Government-dependent—Federal, State, and local government activities contributed a weighted annual average of 25 percent or more of total labor and proprietors' income over the 3 years from 1987 to 1989.

Services-dependent—Service activities (private and personal services, agricultural services, wholesale and retail trade, finance, insurance, real estate, transportation, and public utilities) contributed a weighted annual average of 50 percent or more of total labor and proprietors' income over the 3 years from 1987 to 1989.

Nonspecialized—Counties not classified as a specialized economic type over the 3 years from 1987 to 1989.

Policy types (overlapping, a county may fall into any number of these types and one economic type):

Retirement-destination—The population age 60 years and over in 1990 increased by 15 percent or more during 1980-90 through inmovement of people.

Federal lands—Federally owned lands made up 30 percent or more of a county's land area in the year 1987.

Commuting—Workers age 16 years and over commuting to jobs outside their county of residence were 40 percent or more of all the county's workers in 1990.

Persistent-poverty—Persons with poverty-level income in the preceding year were 20 percent or more of total population in each of 4 years: 1960, 1970, 1980, 1990.

Transfers-dependent—Income from transfer payments contributed a weighted annual average of 25 percent or more of total personal income over the 3 years from 1987 to 1989.

Unemployment rate: The number of unemployed people 16 years and older as a percentage of the civilian labor force age 16 years and older.